

refuse to commit the resources which are necessary. It seems to me that a bus ticket to Canada will probably save seniors more than the Republican proposal. I am going to be interested in her reaction to that, and her statements about the importance of assuring our senior citizens that a prescription drug program be a part of our Medicare system.

I yield the floor.

The PRESIDING OFFICER (Mr. MILLER). The Senator from Michigan.

Ms. STABENOW. Mr. President, first, I wish to thank the senior Senator from Massachusetts for his continued advocacy on behalf of all of the issues that directly affect our families every day. Speaking first to the issue of education as the mother of a 26-year-old who has completed college—I feel as if I own a part of one of the buildings at that great university, the University of Michigan—and my daughter who is now in college, I completely understand and share the deep concerns Senator KENNEDY has about the proposals that will essentially put another \$10,000 of tax on middle- and low-income families over the course of taking out student loans to put their children through college.

It seems to me, as we are talking about the national interest, the importance of national security, that a critical piece is an educated workforce and an educated citizenry. I cannot imagine who was thinking up this proposal at the White House, but I hope they understand we are going to stand together to stop any effort that will add costs to families who are working to put their children through college.

PRESCRIPTION DRUGS

Ms. STABENOW. Mr. President, I rise to speak specifically to another proposal on principles that was released yesterday in the House of Representatives. We have been urging now, since I came to the Senate over a year ago, and certainly before that time, that our colleagues from the other side of the aisle join with us to act to get action in two areas related to critical health care and prescription drugs: One, a comprehensive Medicare prescription drug benefit. Modernize Medicare, update it. Everyone knows that it was written in 1965 and covers the way health care was provided in 1965. It needs to be updated to cover prescription drugs, the primary way that we provide health care today.

Second, we know there are important actions we can take right now to lower the cost of prescription drugs for every family, not only for our seniors who use the majority of prescriptions—on average 18 different prescriptions a year—but also for those families who have a disabled child or another family member who is ill. We need to lower the costs now. We need to lower them for small businesses. We need to lower them for larger businesses. Our farmers are struggling with higher costs. We can do that.

Certainly we appreciate that our colleagues have come together with fanfare to talk about four principles: One is lowering the cost of prescription drugs now. I suggest that putting those words on paper does not lower the cost of one pill. It does not make one more prescription available to our seniors.

I welcome the words, but our seniors and our families have had enough words. They are interested in action. We have to be working in a bipartisan way. We come as Democrats to say: Work with us; let's get beyond the words, beyond the principles and get something done.

We are interested in lowering the cost of prescription drugs, and we have numerous proposals. I will speak to those for a moment before speaking about Medicare prescription drug coverage.

We know, for instance, if we allow the normal course of patents to run out and for the process to work where lower cost generic drugs can be used, we can dramatically cut costs immediately. We have colleagues—Senator SCHUMER and Senator MCCAIN—who are putting forward an important bill to close loopholes that the drug companies have used to block generic drugs from going on the market and to block the lowering of the cost of drugs. We can pass that bill right now and drop the cost. We can open our borders to Canada. Senator DORGAN, of North Dakota, has introduced a bill; he is in the Chamber, and I am sure he will speak to that shortly. I am pleased to join him.

This is an effort in which I have been involved since being in the U.S. House of Representatives. I have taken two bus trips to Canada with our seniors to demonstrate that by working through the Canadian Medical Society we can lower the cost of prescription drugs. It is astounding. These are American-made drugs. I am proud they are made in America. I am proud we have invested in the research and technology—taxpayers, private companies, biotech companies, biomedical companies, drug companies. But when all is said and done, if no one can afford to get the medicine, what have we done?

We now find ourselves in a situation where we subsidize and pay for the research from which the world benefits; yet our borders are closed and our own people cannot go across the border to get the same drug at half the price.

Mr. KENNEDY. Will the Senator yield for a question?

Ms. STABENOW. I will be honored to yield.

Mr. KENNEDY. Is the Senator aware that under the House Republican plan, senior citizens would have to spend \$670 before they received a dime of benefits? This is the cost of the premiums of \$420, and the deductible which is \$250. That comes to \$670 before they get a dime of benefit.

Is the Senator familiar with the fact that the average senior citizen's income is only \$15,000, and the average prescription drug need is \$2,200?

Ms. STABENOW. Yes.

Mr. KENNEDY. We all want to find common ground and work together. Requiring the seniors to pay \$670 before they get a dime of benefits does not seem to me to fulfill the commitment this country made to our seniors when we passed Medicare and said: Pay in, and we are going to help relieve the anxiety you have about quality health care. I am interested in whatever comment the Senator wishes to make.

Ms. STABENOW. I thank the Senator. As the Senator from Massachusetts has indicated, the Medicare proposal that we believe is coming—again, we only have principles. We do not have the specifics. We are piecing together from news stories and other sources what it appears to be. In fact, going beyond what the Senator from Massachusetts has said, not only are we talking about the premium, the deductible, the copays—and there are two different levels of copays—but nothing is covered once you reach \$2,000 until you have spent \$5,000. So there is a huge gap in the middle.

If we take the example of a senior who is spending \$300 a month on prescription drugs—and that is not unusual. It might be a breast cancer patient who is purchasing tamoxifen, which in Michigan is \$136 a month. If you add to that blood pressure medication or cholesterol medication or another drug, the amount could easily come to \$300 a month. If you add that up and look at all that it appears from that proposal, Mr. President, of the \$3,600 a year that one would be paying out of pocket, one would still spend \$2,914.

If someone is paying \$300 a month now in prescription drug costs, less than 20 percent of that would be covered under the Republican proposal.

Mr. KENNEDY. Will the Senator be good enough to yield for another question? Does not the Senator think then we have to deal with the substance and the reality rather than the clichés and the slogans?

Ms. STABENOW. Absolutely.

Mr. KENNEDY. I am sure we are going to hear from the other side: We have a prescription drug proposal. Does the Senator agree with me that is really a misrepresentation? If we accept that as a concept, it will do people in my State little good.

I understand the Senator is a strong supporter, and I see in the chair the Senator from Georgia who has worked very closely with the Senator from Florida on an excellent program, and I commend him for it.

Does the Senator agree if we are going to do something, let's help our seniors and not misrepresent what we are trying to do for them?

Ms. STABENOW. Absolutely. I add also, one of my deep concerns is that in order to pay for this, they are talking about Medicare "reforms." Unfortunately, the reforms we are hearing about are proposals such as adding the cost of home health care, requiring a

copay for home health care. Our seniors who are now struggling to live at home, families who are struggling to make sure someone can live in dignity in their home as long as possible, have home health care. Part of that is their prescription drugs, and to pay less than 20 percent of the cost of prescription drugs, one of the things they are talking about is a copay for home health care. So they will be adding other costs to this process as well.

I suggest: Beware of what is coming. It is very clear when the only people who are advocating for the proposal put forward by the House Republicans are the drug companies, that should tell us something. When they have fought every proposal for comprehensive prescription drug coverage, every proposal to lower the cost of prescription drugs, whether it is expanding generic drugs, opening the borders, lowering advertising costs—every single effort to get some control and accountability in this system so that our seniors can afford prescription drugs they have opposed.

Mr. KENNEDY. Will the Senator yield one more time and give me her reaction?

Ms. STABENOW. I will be happy to yield.

Mr. KENNEDY. Is the Senator aware that the Bush budget allocates only \$190 billion over the next 10 years for prescription drugs and Medicare reform, and the House Republican budget allocates \$350 billion, but the cost of drugs for senior citizens during this same period will be \$1.8 trillion—\$1.8 trillion? Does the Senator conclude from that, this is going to be a very inadequate response to a major health challenge for our seniors?

Ms. STABENOW. I absolutely agree. With all due respect to our colleagues on the other side of the aisle, the math does not add up. It is time to get beyond principles and rhetoric and say to those watching this morning sitting at their kitchen table, seniors who are sitting down right now deciding, Do I eat today or take my medicine, that we are going to step up to the plate, do what is right, and do what is long overdue.

I see my colleague from North Dakota. I would very much like to yield to him. He has been such a leader on this issue. We share, as border States, the frustration of citizens from our States who can easily go on a short trip across the border and pay lower prices for American-made drugs.

The Senator has been a real leader in this effort.

Mr. DORGAN. Mr. President, how much time remains in morning business?

The PRESIDING OFFICER. Six minutes 20 seconds.

Mr. DORGAN. May I be recognized?

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I appreciate the conversation about the prescription drug issue. It is important. There are two

pieces to it. One is coverage for those who do not have access or the resources to get the prescription drugs they need. These are lifesaving medicines that can only save lives if you have access and can afford them.

The second issue is price. That is an important issue. If we talk only of coverage, and not price, we break the bank. Connecting the hose between the prescription drug and the Federal tank means we will suck money out of the tank forever. We will break the bank if we do not do something about prices.

Last year, the cost of prescription drugs increased 17 percent in this country. Year after, the cost increases have been double digit. There has been both utilization and price inflation, double-digit increases in the cost of prescription drugs for 5 years in a row. It will continue into the future unless we do something.

We have to deal with coverage. We also have to be concerned about price: What kinds of approaches can we implement that put downward pressure on prices?

I ask unanimous consent to show bottles on the floor of the Senate that have contained prescription drugs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I have introduced a bipartisan piece of legislation supported by Republicans and Democrats that allows pharmacists, licensed distributors, and wholesalers in our country to access prescription drugs in Canada—same drug, in the same bottles, made by the same company, sold in Canada and North Dakota, with radically different prices.

This is a drug called Celebrex, which is used for arthritis. It is sold in identical bottles, except one cap is blue and one is white—same pill, put in the same bottle, made by the same company, sold in Canada and the United States. The Canadian pays 79 cents per tablet, and the American pays \$2.20 per tablet—same drug, same company, same pill bottle, but a huge difference in prices.

Here are two additional examples. Most everyone knows that Lipitor lowers cholesterol. But we have two different prices for the same pill, put in the same bottle, and made by the same company. It is \$1.01 wholesale in Canada and \$1.86 per tablet to the United States consumer.

One more example is Paxil which is used to treat depression. Paxil is packaged in a bottle that is identical whether you get it in Canada or in the United States. The only difference with Paxil is the difference in price—as in the case of most drugs. It costs 97 cents per tablet for the Canadian, \$2.20 per tablet for the American consumer. The U.S. consumer pays the highest prices in the world for the prescription drugs. It is the same pill, made by the same company, put in the same bottle, for which there is a radical difference in cost.

I use one other example without a bottle. It is called tamoxifen, which is

used to treat breast cancer. For every 10 cents charged to a Canadian, \$1 is charged to an American consumer. If you are buying tamoxifen, you can buy it in Canada for one-tenth the price charged in this country.

With respect to these prices, there is a little town in North Dakota called Michigan, not so far from the Canadian border. At the end of a meeting one night, a woman, perhaps in her late seventies, came to me and said: Mr. Senator, can you help me? I said: What is the problem? Her eyes began to well with tears, and her chin began to quiver. She said: I have heart disease and diabetes; my doctor prescribes a great deal of medicine I must take, and I don't have the money to purchase the drugs. The doctor says I must have these drugs in order to continue to live a good life.

That is the problem. We need prescription drug coverage. We also need restraint on pricing. The two, together, can help the American people access lifesaving drugs. Miracle drugs can only provide miracles if people can afford them. That is why we are fighting to make some sense of this policy.

What I have tried to do, on a bipartisan basis, with Republicans and Democrats supporting this reimportation bill that we have now introduced, is to allow pharmacists and distributors to access those same drugs that are sold at much lower prices in our neighboring country of Canada.

I yield for a question.

Mr. SCHUMER. I thank my colleague from North Dakota for his eloquent exposition.

We are working on the same track. The Senator from North Dakota has a bill to lower prices by allowing reimportation. Senator McCain and I have a bill to extend generic drugs. We have to deal with both: Getting prescription drugs as part of Medicare, but also lowering the cost. As the Senator from North Dakota has said over and over again, we are not going to get the one without the other.

I bring to his attention and ask if the Senator saw an article in the Wall Street Journal on the front page, another way the drug companies are going way overboard. They are getting lists from pharmacists of people who have a prescription for a certain drug and then are writing those people and saying: Why don't you switch to this drug? Do you know why they ask them to switch? The generic drug is coming on board for their original drug, and now they are trying to manipulate the generic drug law.

The drug company is extending the dosage, going for a weekly pill rather than a daily pill.

Mr. DORGAN. I ask unanimous consent for 5 additional minutes, and I yield to the Senator from New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. The drug company's applying for a new patent because the daily pill—same medicine—expires.

The drug industry has some good arguments. I don't disagree with their argument that they need money for research. And these new pills have helped people. But faced with all of these blockbuster drugs that are going off patent, and the companies being so used to the high rate of return they have had—higher than any other American industry—they are pushing the envelope way too far in terms of trying to keep that level of profitability.

They ought to understand—and I ask my colleague from North Dakota to comment on this—their job is to go back into the laboratories, come up with real new drugs, and work on those—not extend the patent—or, in the case of what the Senator from North Dakota has discussed, make the U.S. price above all the other prices. This involves lots of work and lots of focus.

Every time I read one of these articles, it makes my blood boil. When I came here, I was not regarded as a hardliner on this issue. I have a great deal of respect for companies that research and produce these drugs. However, the limits they are going to, with the advertising on television—and I know my colleague from Michigan is working on this—with the huge price differential where the United States consumer pays for all the research, yet around the world the costs are much lower—I know my colleague from North Dakota is looking into this—to the manipulation of the generic drug law, which Senator McCain and I are looking at, something is rotten in Denmark.

I thank my colleague his remarks and his persistent leadership on this issue and ask him what he thinks of what is going on, and has he seen this change over the years?

Mr. DORGAN. Mr. President, I chaired a hearing recently at which Senator SCHUMER testified and Senator McCain, as the ranking member, attended. Generic drugs are a very important issue.

I push for price restraint because I think it is very important with respect to what is happening to price increases of prescription drugs. However, I bear no ill will toward this industry. I think the drug industry is a remarkable industry. It does some remarkable things. We should compliment them for some of the programs they have initiated in recent weeks, for the low income senior citizens. That is a good step. They do some awfully good work. Tamoxifen costs one-tenth the price in Canada; you pay 10 times more if you are an American, that drug resulted from public funding and public research at the National Institutes of Health.

So I worry very much that what is happening is that the public is paying for research in some areas and, when the drugs are privatizing, a price is affixed to them that is way out of bounds.

I bear no ill will towards this industry. I want them to do well and to con-

tinue to search for lifesaving drugs. But I think it is important to point out that, when we talk about miracle drugs, Americans who need them will get their lifesaving benefits only if they can have access to them, and can afford them. There are so many Americans who cannot chase double-digit price increases every year. That is why we deal with this issue. The issue I have been concerned about is re-importation from Canada. Not because I want anybody to have to go to Canada to buy prescription drugs, that is not my goal. My goal, of course, is the repricing of those drugs in this country because, if distributors and pharmacies can go to Canada and access the same drugs, it will force a repricing of those drugs here.

I want to have a prescription drug benefit in the Medicare Program but I don't want to break the bank. If we do that and do nothing about price restraint and downward pressure on prices we will break the bank of this Government. We must address both issues, coverage and price.

Ms. STABENOW. Will the Senator yield for a moment? I just wanted, as we conclude this time, to thank my colleagues for their continued leadership and to, once again, call upon our colleagues across the building, in the other Chamber, the Speaker of the House of Representatives and his colleagues, to go beyond the principles that were put out yesterday and join with us in the concrete proposals that we have.

We have the ability to act now. We could do it this month if they are willing to join with us. We ask them to get beyond the words and let's get together and let's do the right thing.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I commend the Senator from North Dakota who organized the preceding discussion with respect to the high price of drugs and unavailability of prescription drugs. I asked the General Accounting Office to do a study of coverage of prescription drugs in my home State of Montana. The conclusions were for those seniors in our State who are not covered by health insurance, those seniors pay more for prescription drugs than do seniors anywhere else on the face of this Earth. That is more than any other part of the United States and certainly more than people overseas, as has been demonstrated ably by the Senator from North Dakota. The same drug by the same company is less expensive to someone overseas as compared with the United States.

This is a critical issue. I thank my friend from North Dakota as well as the Senator from Michigan, Ms. STABENOW, and others.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired. Morning business is closed.

ANDEAN TRADE PREFERENCE EXPANSION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 3009, which the clerk will report.

The assistant legislative clerk read as follows:

An act (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

Pending:

Daschle amendment No. 3386, in the nature of a substitute.

Dorgan amendment No. 3387 (to amendment No. 3386), to ensure transparency of investor protection dispute resolution tribunals under the North American Free Trade Agreement.

Mr. BAUCUS. Mr. President, yesterday the Senate began debate on the Trade Act of 2002. This legislation includes three bills reported by the Senate Finance Committee last year: No. 1, an extension of fast track negotiating authority—also known as trade promotion authority; No. 2, an expansion and improvement of the Trade Adjustment Assistance Program and No. 3, the Finance Committee's version of the Andean Trade Preferences Act, or ATPA. As the debate moves forward, I suspect other international trade matters may also appropriately be attached to this bill.

The Trade Act of 2002 will be the first major rewrite of international trade legislation in 14 years. If passed, it will be, as the National Journal has said, "a historic breakthrough."

Why are we taking up a trade bill? What does this bill—and the expanded trade that will follow—mean for this country? Trade means jobs. Twelve million Americans—one out of every ten workers—depend on exports for their jobs. These are jobs that pay more—thousands of dollars more per year—than jobs unrelated to trade. Trade supports jobs in all sectors. We often think of trade as helping big multi-national companies. In fact, firms with fewer than 20 workers represent two-thirds of American exporters; and U.S. agriculture exports support more than 750,000 jobs. Trade also means choice. It means more affordable products and more variety for American families. It means that hard-earned paychecks go further.

In many ways, new trade agreements are like a tax cut for working families. Studies have suggested that the average family of four sees annual benefits of between \$1,300 and \$2,000 because of the agreements we negotiated in the last decade. And according to a recent University of Michigan study, if we complete the next round of negotiations under the World Trade Organization, it could increase that benefit by as much as \$2,500—per family, per year.

But trade is about more than simple economics. When we trade with countries, we do not just export corn and cars, we export our ideas, we export our values. We export freedom, in a